

HOUSE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 11

AN ACT

2 To repeal sections 34.070, 34.073, 99.820,
3 99.845, 137.100, 143.121, 144.030, and
4 260.830, RSMo, and to enact in lieu thereof
5 fourteen new sections relating to taxation,
6 with an emergency clause and a termination
7 date for a certain section.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
9 AS FOLLOWS:

10 Section A. Sections 34.070, 34.073, 99.820, 99.845,
11 137.100, 143.121, 144.030, and 260.830, RSMo, are repealed and
12 fourteen new sections enacted in lieu thereof, to be known as
13 sections 21.810, 34.070, 34.073, 67.2000, 67.2015, 71.611,
14 99.820, 99.845, 137.100, 143.121, 144.030, 144.049, 144.817, and
15 260.830, to read as follows:

16 21.810. 1. There is established a permanent joint
17 committee of the general assembly to be known as the "Joint
18 Committee on Tax Policy" which shall be composed of five members
19 of the senate, appointed by the president pro tem of the senate,

1 and five members of the house of representatives, appointed by
2 the speaker of the house of representatives. A majority of the
3 members of the committee shall constitute a quorum. The members
4 shall annually select one of the members to be the chair and one
5 of the members to be the vice chair. The speaker of the house of
6 representatives and the president pro tem of the senate shall
7 appoint the respective majority members. The minority leader of
8 the house and the minority leader of the senate shall appoint the
9 respective minority members. The members shall receive no
10 additional compensation, but shall be reimbursed for actual and
11 necessary expenses incurred by them in the performance of their
12 duties. No major party shall be represented on the committee by
13 more than three members from the senate nor by more than three
14 members from the house. The committee is authorized to meet and
15 act year round and to employ the necessary personnel within the
16 limits of appropriations. The staff of the committee on
17 legislative research, house research, and senate research shall
18 provide necessary clerical, research, fiscal, and legal services
19 to the committee, as the committee may request.

20 2. It shall be the duty of the committee:

21 (1) To make a continuing study and analysis of the current
22 and proposed tax policy of this state as it relates to:

23 (a) Fairness and equity;

24 (b) True economic impact;

25 (c) Burden on individuals and businesses;

1 (d) Effectiveness of tax expenditures;

2 (e) Impact on political subdivisions of this state;

3 (f) Agreements and contracts with the federal government,
4 other states and territories, political subdivisions, and private
5 entities relating to the collection and administration of state
6 and local taxes and fees;

7 (g) Compliance with the state and United States
8 Constitution and federal and international law; and

9 (h) The effects of interstate commerce;

10 (2) To make a continuing study and review of the department
11 of revenue, the department of economic development, the state tax
12 commission, and any other state agency, commission, or state
13 executive office responsible for the administration of tax
14 policies, including the internal organization, management,
15 powers, duties and functions of the departments, commissions, and
16 offices;

17 (3) To study the effects of the coupling or decoupling with
18 the federal income tax code as it relates to the state income
19 tax;

20 (4) To make recommendations, as and when the committee
21 deems fit, to the general assembly for legislative action or to
22 report findings and to the departments, commissions, and offices
23 for administrative or procedural changes; and

24 (5) To study the effects of a sales tax holiday.

25 3. All state departments, commissions, and offices

1 responsible for the administration of tax policies shall
2 cooperate with and assist the committee in the performance of its
3 duties and shall make available all books, records and
4 information requested, except individually identifiable
5 information regarding a specific taxpayer. The committee may
6 also consult with public and private universities and academies,
7 public and private organizations, and private citizens in the
8 performance of its duties. The committee may contract with
9 public and private entities, within the limits of appropriation,
10 for analysis and study of current or proposed changes to state
11 and local tax policy. The committee shall have the power to
12 subpoena witnesses, take testimony under oath, compel the
13 attendance of witnesses, the giving of testimony and the
14 production of records.

15 34.070. In making purchases, the commissioner of
16 administration shall give preference to all commodities and
17 tangible personal property manufactured, mined, produced or grown
18 within the state of Missouri and to all firms, corporations or
19 individuals doing business as Missouri firms, corporations or
20 individuals, when quality is equal or better and delivered price
21 is the same or less. The commissioner of administration may also
22 give such preference whenever competing bids, in their entirety,
23 are comparable.

24 34.073. 1. In letting contracts for the performance of any
25 job or service, all agencies, departments, institutions, and

1 other entities of this state and of each political subdivision of
2 this state shall give preference to all firms, corporations, or
3 individuals doing business as Missouri firms, corporations, or
4 individuals, or which maintain Missouri offices or places of
5 business, when the quality of performance promised is equal or
6 better and the price quoted is the same or less. The
7 commissioner of administration may also give such preference
8 whenever competing bids, in their entirety, are comparable.

9 2. Notwithstanding the requirements of subsection 1 of this
10 section, the commissioner of administration shall give further
11 preference as required by section 34.076.

12 67.2000. 1. This section shall be known as the "Exhibition
13 Center and Recreational Facility District Act".

14 2. Whenever not less than fifty owners of real property
15 located within any county of the first classification with more
16 than thirty-seven thousand but less than thirty-seven thousand
17 one hundred inhabitants, or any county of the third
18 classification without a township form of government and with
19 more than twenty-three thousand five hundred but less than
20 twenty-three thousand six hundred inhabitants, or any county of
21 the third classification without a township form of government
22 and with more than nineteen thousand three hundred but less than
23 nineteen thousand four hundred inhabitants, or any county of the
24 first classification with more than eighty-five thousand nine
25 hundred but less than eighty-six thousand inhabitants, or any

1 county of the first classification without a charter form of
2 government and with more than one hundred four thousand six
3 hundred but less than one hundred four thousand seven hundred
4 inhabitants, or any county of the second classification with more
5 than fifty-two thousand six hundred but less than fifty-two
6 thousand seven hundred inhabitants, or any county of the first
7 classification without a charter form of government and with more
8 than one hundred ninety-eight thousand but less than one hundred
9 ninety-nine thousand two hundred inhabitants desire to create an
10 exhibition center and recreational facility district, the
11 property owners shall file a petition with the governing body of
12 each county located within the boundaries of the proposed
13 district requesting the creation of the district. The district
14 boundaries may include all or part of the counties described in
15 this section. The petition shall contain the following
16 information:

17 (1) The name and residence of each petitioner and the
18 location of the real property owned by the petitioner;

19 (2) A specific description of the proposed district
20 boundaries, including a map illustrating the boundaries; and

21 (3) The name of the proposed district.

22 3. Upon the filing of a petition pursuant to this section,
23 the governing body of any county described in this section may,
24 by resolution, approve the creation of a district. Any
25 resolution to establish such a district shall be adopted by the

1 governing body of each county located within the proposed
2 district, and shall contain the following information:

3 (1) A description of the boundaries of the proposed
4 district;

5 (2) The time and place of a hearing to be held to consider
6 establishment of the proposed district;

7 (3) The proposed sales tax rate to be voted on within the
8 proposed district; and

9 (4) The proposed uses for the revenue generated by the new
10 sales tax.

11 4. Whenever a hearing is held as provided by this section,
12 the governing body of each county located within the proposed
13 district shall:

14 (1) Publish notice of the hearing on two separate occasions
15 in at least one newspaper of general circulation in each county
16 located within the proposed district, with the first publication
17 to occur not more than thirty days before the hearing, and the
18 second publication to occur not more than fifteen days nor less
19 than ten days before the hearing;

20 (2) Hear all protests and receive evidence for or against
21 the establishment of the proposed district; and

22 (3) Rule upon all protests, which determinations shall be
23 final.

24 5. If the governing body of each county located within the
25 proposed district following the hearing decides to establish the

1 proposed district, it shall adopt an order to that effect. The
2 order shall contain the following:

3 (1) The description of the boundaries of the district;

4 (2) A statement that an exhibition center and recreational
5 facility district has been established;

6 (3) The name of the district;

7 (4) The uses for any revenue generated by a sales tax
8 imposed pursuant to this section; and

9 (5) A declaration that the district is a political
10 subdivision of the state.

11 6. There is hereby created a board of trustees to
12 administer any district created and the expenditure of revenue
13 generated pursuant to this section, consisting of no more than
14 twelve members. After adoption of the order creating the
15 district, the governing body of each county located within the
16 district shall appoint four residents of the portion of the
17 district within the county to represent the district on the board
18 of trustees. Each trustee shall be at least twenty-five years of
19 age. Of the initial trustees appointed, two shall hold office
20 for two years, and two shall hold office for four years.

21 Trustees appointed after expiration of the initial terms shall be
22 appointed to a four-year term by the governing body of the county
23 the trustee represents, with the initially appointed trustee to
24 remain in office until a successor is appointed, and shall take
25 office upon being appointed. Each trustee may be reappointed.

1 Vacancies shall be filled in the same manner in which the trustee
2 vacating the office was originally appointed. The trustees shall
3 not receive compensation for their services, but may be
4 reimbursed for their actual and necessary expenses. The board
5 shall elect a chair and other officers necessary for its
6 membership.

7 7. The board of trustees shall have the following powers,
8 authority, and privileges:

9 (1) To have and use a corporate seal;

10 (2) To sue and be sued, and be a party to suits, actions,
11 and proceedings;

12 (3) To enter into contracts, franchises, and agreements
13 with any person or entity, public or private, affecting the
14 affairs of the district, including contracts with any
15 municipality, district, or state, or the United States, and any
16 of their agencies, political subdivisions, or instrumentalities,
17 for the funding, including without limitation interest rate
18 exchange or swap agreements, planning, development, construction,
19 acquisition, maintenance, or operation of an exhibition center
20 and recreational facilities or to assist in such activity;

21 (4) To borrow money and incur indebtedness and evidence the
22 same by certificates, notes, or debentures, to issue bonds and
23 use any one or more lawful funding methods the district may
24 obtain for its purposes at such rates of interest as the district
25 may determine. Any bonds, notes, and other obligations issued or

1 delivered by the district may be secured by mortgage, pledge, or
2 deed of trust of any or all of the property and income of the
3 district. The district shall not mortgage, pledge, or give a
4 deed of trust on any real property or interests which it obtained
5 or acquired from the state or any agency or political subdivision
6 thereof. Every issue of such bonds, notes, or other obligations
7 shall be payable out of property and revenues of the district,
8 and may be further secured by other property of the district
9 which may be pledged, assigned, mortgaged, or a security interest
10 granted for such payment, without preference or priority of the
11 first bonds issued, subject to any agreement with the holders of
12 any other bonds pledging any specified property or revenues.
13 Such bonds, notes, or other obligations shall be authorized by
14 resolution of the district board, and shall bear such date or
15 dates, and shall mature at such time or times, but not in excess
16 of thirty years, as the resolution shall specify. Such bonds,
17 notes, or other obligations shall be in such denomination, bear
18 interest at such rate or rates, be in such form, either coupon or
19 registered, be issued as current interest bonds, compound
20 interest bonds, variable rate bonds, convertible bonds, or zero
21 coupon bonds, be issued in such manner, be payable in such place
22 or places, and be subject to redemption as such resolution may
23 provide, notwithstanding section 108.170, RSMo. The bonds,
24 notes, or other obligations may be sold at either public or
25 private sale, at such interest rates, and at such price or prices

1 as the district shall determine;

2 (5) To acquire, transfer, donate, lease, exchange,
3 mortgage, and encumber real and personal property in furtherance
4 of district purposes;

5 (6) To refund any bonds, notes, or other obligations of the
6 district without an election. The terms and conditions of
7 refunding obligations shall be substantially the same as those of
8 the original issue, and the board shall provide for the payment
9 of interest at not to exceed the legal rate, and the principal of
10 such refunding obligations in the same manner as is provided for
11 the payment of interest and principal of obligations refunded;

12 (7) To have the management, control, and supervision of all
13 the business and affairs of the district, and the construction,
14 installation, operation, and maintenance of district improvements
15 therein; to collect rentals, fees, and other charges in
16 connection with its services or for the use of any of its
17 facilities;

18 (8) To hire and retain agents, employees, engineers, and
19 attorneys;

20 (9) To receive and accept by bequest, gift, or donation any
21 kind of property;

22 (10) To adopt and amend bylaws and any other rules and
23 regulations not in conflict with the constitution and laws of
24 this state, necessary for the carrying on of the business,
25 objects, and affairs of the board and of the district; and

1 (11) To have and exercise all rights and powers necessary
2 or incidental to or implied from the specific powers granted
3 herein.

4 8. A district established pursuant to this section may, at
5 a general, primary, or special election, submit to the qualified
6 voters within the district boundaries a sales tax not to exceed
7 one-half of one percent on all retail sales within the district
8 which are subject to taxation pursuant to sections 144.010 to
9 144.525, RSMo, to fund the acquisition, construction,
10 maintenance, operation, improvement, and promotion of an
11 exhibition center and recreational facilities. The ballot of
12 submission shall be in substantially the following form:

13 Shall the (name of district) impose a sales tax
14 of (insert rate) to fund the acquisition,
15 construction, maintenance, operation, improvement, and promotion
16 of an exhibition center and recreational facilities?

17 ☐ YES

☐ NO

18 If you are in favor of the question, place an "X" in the box
19 opposite "YES". If you are opposed to the question, place an "X"
20 in the box opposite "NO".

21 If a majority of the votes cast favor the proposal, then the
22 sales tax shall become effective on the first day of the second
23 calendar quarter immediately following the election. If a

1 majority of the votes cast oppose the proposal, then the district
2 shall not impose the sales tax authorized in this section until
3 after the district has submitted another such sales tax proposal
4 and the proposal is approved by a majority of the qualified
5 voters voting thereon. However, if a sales tax proposal is not
6 approved, the district shall not resubmit a proposal to the
7 voters pursuant to this section sooner than twelve months from
8 the date of the last proposal submitted pursuant to this section.

9 9. There is hereby created the "Exhibition Center and
10 Recreational Facility District Sales Tax Trust Fund", which shall
11 consist of all revenue collected pursuant to this section. The
12 director of revenue shall be custodian of the trust fund, and
13 moneys in the trust fund shall be used solely for the purposes
14 authorized in this section. Moneys in the trust fund shall be
15 considered nonstate funds pursuant to section 15, article IV,
16 Constitution of Missouri. The director of revenue shall invest
17 moneys in the trust fund in the same manner as other funds are
18 invested. Any interest and moneys earned on such investments
19 shall be credited to the trust fund. All sales taxes collected
20 by the director of revenue pursuant to this section on behalf of
21 the district, less one percent for the cost of collection which
22 shall be deposited in the state's general revenue fund after
23 payment of premiums for surety bonds as provided in section
24 32.087, RSMo, shall be deposited in the trust fund. The director
25 of revenue shall keep accurate records of the amount of moneys in

1 the trust fund which was collected in the district imposing a
2 sales tax pursuant to this section, and the records shall be open
3 to the inspection of the officers of each district and the
4 general public. Not later than the tenth day of each month, the
5 director of revenue shall distribute all moneys deposited in the
6 trust fund during the preceding month to the district. The
7 director of revenue may authorize refunds from the amounts in the
8 trust fund and credited to the district for erroneous payments
9 and overpayments made, and may redeem dishonored checks and
10 drafts deposited to the credit of the district.

11 10. The sales tax authorized by this section is in addition
12 to all other sales taxes allowed by law. Except as modified in
13 this section, all provisions of sections 32.085 and 32.087, RSMo,
14 apply to the sales tax imposed pursuant to this section.

15 11. Any sales tax imposed pursuant to this section shall
16 reduce to a rate of one-tenth of one percent twenty-five years
17 from the effective date of the sales tax unless an extension of
18 the sales tax is submitted to and approved by the qualified
19 voters in each district in the manner provided in this section.
20 Each extension of the sales tax shall be for a period not to
21 exceed twenty years. The ballot of submission for the extension
22 shall be in substantially the following form:

23 Shall the (name of district) extend the sales tax
24 of (insert rate) for a period of (insert number
25 of years) years to fund the acquisition, construction,

maintenance, operation, improvement, and promotion of an
exhibition center and recreational facilities?

☐ YES

☐ NO

If you are in favor of the question, place an "X" in the box
opposite "YES". If you are opposed to the question, place an "X"
in the box opposite "NO".

If a majority of the votes cast favor the extension, then the
sales tax shall remain in effect at the rate and for the time
period approved by the voters. If a majority of the votes cast
oppose the extension, then the district shall reduce the sales
tax rate to one-tenth of one percent. If a sales tax extension
is not approved, the district may submit another sales tax
proposal as authorized in this section, but the district shall
not submit such a proposal to the voters sooner than twelve
months from the date of the last extension submitted.

12. Once the sales tax authorized by this section is
abolished or terminated by any means, all funds remaining in the
trust fund shall be used solely for the purposes approved in the
ballot question authorizing the sales tax. The sales tax shall
not be abolished or terminated while the district has any
financing or other obligations outstanding. Any funds in the
trust fund which are not needed for current expenditures may be
invested by the district in the securities described in

1 subdivisions (1) to (12) of subsection 1 of section 30.270, RSMo,
2 or repurchase agreements secured by such securities. If the
3 district abolishes the sales tax, the district shall notify the
4 director of revenue of the action at least ninety days before the
5 effective date of the repeal, and the director of revenue may
6 order retention in the trust fund, for a period of one year, of
7 two percent of the amount collected after receipt of such notice
8 to cover possible refunds or overpayment of the sales tax and to
9 redeem dishonored checks and drafts deposited to the credit of
10 such accounts. After one year has elapsed after the effective
11 date of abolition of the sales tax in the district, the director
12 of revenue shall remit the balance in the account to the district
13 and close the account of the district. The director of revenue
14 shall notify the district of each instance of any amount refunded
15 or any check redeemed from receipts due the district.

16 13. In the event that the district is dissolved or
17 terminated by any means, the governing bodies of the counties in
18 the district shall appoint a person to act as trustee for the
19 district so dissolved or terminated. Before beginning the
20 discharge of duties, the trustee shall take and subscribe an oath
21 to faithfully discharge the duties of the office, and shall give
22 bond with sufficient security, approved by the governing bodies
23 of the counties, to the use of the dissolved or terminated
24 district, for the faithful discharge of duties. The trustee
25 shall have and exercise all powers necessary to liquidate the

1 district, and upon satisfaction of all remaining obligations of
2 the district, shall pay over to the county treasurer of each
3 county in the district and take receipt for all remaining moneys
4 in amounts based on the ratio the levy of each county bears to
5 the total levy for the district in the previous three years or
6 since the establishment of the district, whichever time period is
7 shorter. Upon payment to the county treasurers, the trustee
8 shall deliver to the clerk of the governing body of any county in
9 the district all books, papers, records, and deeds belonging to
10 the dissolved district.

11 14. After August 28, 2003, any county of the first
12 classification with more than one hundred thirty-five thousand
13 four hundred but less than one hundred thirty-five thousand five
14 hundred inhabitants may create a district in any unincorporated
15 area of the county, or in any incorporated area of the county
16 upon approval of the governing body of the incorporated area by
17 ordinance, pursuant to this section upon the filing of the
18 required petition signed by all of the owners of property within
19 the proposed district with the governing body of the county and
20 upon unanimous approval of all owners of property within the
21 district of the order creating the district and the proposed
22 sales tax ballot question. In the event that any county creates
23 a district pursuant to this subsection, and no registered voters
24 reside within the boundaries of the district, the proposed sales
25 tax ballot question and the extension of the sales tax authorized

1 by this section shall be submitted to the qualified voters of the
2 county.

3 67.2015. 1. The governing body of any county of the third
4 classification without a township form of government and with
5 more than eight thousand three hundred but less than eight
6 thousand four hundred inhabitants may impose, by ordinance or
7 order, a surcharge on the sale of each ticket or other charge
8 allowing admission to or participation in any private tourist
9 attraction and on the daily rental of rooms or accommodations
10 paid by transient guests of hotels, motels or campgrounds, as
11 defined in section 94.802, RSMo, in such county, at a rate not to
12 exceed five percent of such admission or amount. For purposes of
13 this section, "private tourist attraction" means:

14 (1) Organized trail rides; and

15 (2) Canoe rentals.

16
17 Attractions operating on an occasional or intermittent basis for
18 fund-raising purposes by nonprofit charitable organizations whose
19 ordinary activities do not involve the operation of such
20 attractions shall be exempt from the surcharge imposed by this
21 section.

22 2. Every retailer, vendor, operator, and other person who
23 sells goods and services subject to the surcharge imposed
24 pursuant to this section shall be liable and responsible for the
25 payment of surcharges due and shall make a return and remit such

1 surcharges to the county, at such times and in such manner as the
2 governing body of the county shall prescribe. The collection of
3 the surcharges imposed by this section shall be computed in
4 accordance with schedules or systems approved by the governing
5 body of the county.

6 3. All surcharges authorized and collected under this
7 section shall be deposited by the county in a special trust fund
8 to be known as the "County Tourism Surcharge Trust Fund". The
9 moneys in such fund shall not be commingled with any funds of the
10 county. Moneys in the fund shall be used solely by the county
11 for the promotion of tourism within the county. The surcharge
12 authorized by this section shall be in addition to any and all
13 other taxes allowed by law, but no order imposing a surcharge
14 pursuant to this section shall be effective unless the governing
15 body of the county submits to the voters of the county at a
16 county or state general, primary, or special election a proposal
17 to authorize the governing body of the county to impose such
18 surcharge.

19 4. The ballot of submission shall contain, but need not be
20 limited to:

21 Shall the county of (insert
22 name of county) impose a surcharge of (insert rate of tax)
23 percent on the sales, charges or admissions on all hotels, motels
24 or campgrounds rented for thirty days or less, and on the sales,
25 charges or admissions to all private tourist attractions in the

1 county?

2 ☐ YES

☐ NO

3 If a majority of the votes cast on the proposal by the qualified
4 voters voting thereon are in favor of the proposal, then the
5 order imposing the surcharge shall be effective. If a majority
6 of the votes cast by the qualified voters voting on the proposal
7 are opposed to the proposal, then the governing body of the
8 county shall have no power to impose the surcharge authorized in
9 this section unless and until the governing body of the county
10 again submits another proposal to authorize the governing body of
11 the county to impose the surcharge authorized by this section,
12 and such proposal is approved by the requisite majority of the
13 qualified voters voting thereon.

14 5. The surcharge authorized by this section shall become
15 effective within ninety days from the date such surcharges are
16 approved by the voters of the county pursuant to this section.
17 After the effective date of any surcharge imposed by this
18 section, the county shall perform all functions incident to the
19 administration, collection, enforcement, and operation of the
20 surcharge. The surcharge imposed by this section shall be
21 reported upon such forms as may be prescribed by the governing
22 body of the county.

23 71.611. Notwithstanding any other provision of law to the
24 contrary, after March 31, 2004, no village with less than one

1 thousand three hundred inhabitants shall impose a license tax in
2 excess of ten thousand dollars per license.

3 99.820. 1. A municipality may:

4 (1) By ordinance introduced in the governing body of the
5 municipality within fourteen to ninety days from the completion
6 of the hearing required in section 99.825, approve redevelopment
7 plans and redevelopment projects, and designate redevelopment
8 project areas pursuant to the notice and hearing requirements of
9 sections 99.800 to 99.865. No redevelopment project shall be
10 approved unless a redevelopment plan has been approved and a
11 redevelopment area has been designated prior to or concurrently
12 with the approval of such redevelopment project and the area
13 selected for the redevelopment project shall include only those
14 parcels of real property and improvements thereon directly and
15 substantially benefited by the proposed redevelopment project
16 improvements;

17 (2) Make and enter into all contracts necessary or
18 incidental to the implementation and furtherance of its
19 redevelopment plan or project;

20 (3) Pursuant to a redevelopment plan, subject to any
21 constitutional limitations, acquire by purchase, donation, lease
22 or, as part of a redevelopment project, eminent domain, own,
23 convey, lease, mortgage, or dispose of, land and other property,
24 real or personal, or rights or interests therein, and grant or
25 acquire licenses, easements and options with respect thereto, all

1 in the manner and at such price the municipality or the
2 commission determines is reasonably necessary to achieve the
3 objectives of the redevelopment plan. No conveyance, lease,
4 mortgage, disposition of land or other property, acquired by the
5 municipality, or agreement relating to the development of the
6 property shall be made except upon the adoption of an ordinance
7 by the governing body of the municipality. Each municipality or
8 its commission shall establish written procedures relating to
9 bids and proposals for implementation of the redevelopment
10 projects. Furthermore, no conveyance, lease, mortgage, or other
11 disposition of land or agreement relating to the development of
12 property shall be made without making public disclosure of the
13 terms of the disposition and all bids and proposals made in
14 response to the municipality's request. Such procedures for
15 obtaining such bids and proposals shall provide reasonable
16 opportunity for any person to submit alternative proposals or
17 bids;

18 (4) Within a redevelopment area, clear any area by
19 demolition or removal of existing buildings and structures;

20 (5) Within a redevelopment area, renovate, rehabilitate, or
21 construct any structure or building;

22 (6) Install, repair, construct, reconstruct, or relocate
23 streets, utilities, and site improvements essential to the
24 preparation of the redevelopment area for use in accordance with
25 a redevelopment plan;

1 (7) Within a redevelopment area, fix, charge, and collect
2 fees, rents, and other charges for the use of any building or
3 property owned or leased by it or any part thereof, or facility
4 therein;

5 (8) Accept grants, guarantees, and donations of property,
6 labor, or other things of value from a public or private source
7 for use within a redevelopment area;

8 (9) Acquire and construct public facilities within a
9 redevelopment area;

10 (10) Incur redevelopment costs and issue obligations;

11 (11) Make payment in lieu of taxes, or a portion thereof,
12 to taxing districts;

13 (12) Disburse surplus funds from the special allocation
14 fund to taxing districts as follows:

15 (a) Such surplus payments in lieu of taxes shall be
16 distributed to taxing districts within the redevelopment area
17 which impose ad valorem taxes on a basis that is proportional to
18 the current collections of revenue which each taxing district
19 receives from real property in the redevelopment area;

20 (b) Surplus economic activity taxes shall be distributed to
21 taxing districts in the redevelopment area which impose economic
22 activity taxes, on a basis that is proportional to the amount of
23 such economic activity taxes the taxing district would have
24 received from the redevelopment area had tax increment financing
25 not been adopted;

1 (c) Surplus revenues, other than payments in lieu of taxes
2 and economic activity taxes, deposited in the special allocation
3 fund, shall be distributed on a basis that is proportional to the
4 total receipt of such other revenues in such account in the year
5 prior to disbursement;

6 (13) If any member of the governing body of the
7 municipality, a member of a commission established pursuant to
8 subsection 2 of this section, or an employee or consultant of the
9 municipality, involved in the planning and preparation of a
10 redevelopment plan, or redevelopment project for a redevelopment
11 area or proposed redevelopment area, owns or controls an
12 interest, direct or indirect, in any property included in any
13 redevelopment area, or proposed redevelopment area, which
14 property is designated to be acquired or improved pursuant to a
15 redevelopment project, he or she shall disclose the same in
16 writing to the clerk of the municipality, and shall also so
17 disclose the dates, terms, and conditions of any disposition of
18 any such interest, which disclosures shall be acknowledged by the
19 governing body of the municipality and entered upon the minutes
20 books of the governing body of the municipality. If an
21 individual holds such an interest, then that individual shall
22 refrain from any further official involvement in regard to such
23 redevelopment plan, redevelopment project or redevelopment area,
24 from voting on any matter pertaining to such redevelopment plan,
25 redevelopment project or redevelopment area, or communicating

1 with other members concerning any matter pertaining to that
2 redevelopment plan, redevelopment project or redevelopment area.
3 Furthermore, no such member or employee shall acquire any
4 interest, direct or indirect, in any property in a redevelopment
5 area or proposed redevelopment area after either (a) such
6 individual obtains knowledge of such plan or project, or (b)
7 first public notice of such plan, project or area pursuant to
8 section 99.830, whichever first occurs;

9 (14) Charge as a redevelopment cost the reasonable costs
10 incurred by its clerk or other official in administering the
11 redevelopment project. The charge for the clerk's or other
12 official's costs shall be determined by the municipality based on
13 a recommendation from the commission, created pursuant to this
14 section.

15 2. Prior to adoption of an ordinance approving the
16 designation of a redevelopment area or approving a redevelopment
17 plan or redevelopment project, the municipality shall create a
18 commission of nine persons if the municipality is a county or a
19 city not within a county and not a first class county with a
20 charter form of government with a population in excess of nine
21 hundred thousand, and eleven persons if the municipality is not a
22 county and not in a first class county with a charter form of
23 government having a population of more than nine hundred
24 thousand, and twelve persons if the municipality is located in or
25 is a first class county with a charter form of government having

1 a population of more than nine hundred thousand, to be appointed
2 as follows:

3 (1) In all municipalities two members shall be appointed by
4 the school boards whose districts are included within the
5 redevelopment plan or redevelopment area. Such members shall be
6 appointed in any manner agreed upon by the affected districts;

7 (2) In all municipalities one member shall be appointed, in
8 any manner agreed upon by the affected districts, to represent
9 all other districts levying ad valorem taxes within the area
10 selected for a redevelopment project or the redevelopment area,
11 excluding representatives of the governing body of the
12 municipality;

13 (3) In all municipalities six members shall be appointed by
14 the chief elected officer of the municipality, with the consent
15 of the majority of the governing body of the municipality;

16 (4) In all municipalities which are not counties and not in
17 a first class county with a charter form of government having a
18 population in excess of nine hundred thousand, two members shall
19 be appointed by the county of such municipality in the same
20 manner as members are appointed in subdivision (3) of this
21 subsection;

22 (5) In a municipality which is a county with a charter form
23 of government having a population in excess of nine hundred
24 thousand, three members shall be appointed by the cities in the
25 county which have tax increment financing districts in a manner

1 in which the cities shall agree;

2 (6) In a municipality which is located in the first class
3 county with a charter form of government having a population in
4 excess of nine hundred thousand, three members shall be appointed
5 by the county of such municipality in the same manner as members
6 are appointed in subdivision (3) of this subsection;

7 (7) At the option of the members appointed by the
8 municipality, the members who are appointed by the school boards
9 and other taxing districts may serve on the commission for a term
10 to coincide with the length of time a redevelopment project,
11 redevelopment plan or designation of a redevelopment area, is
12 considered for approval by the commission, or for a definite term
13 pursuant to this subdivision. If the members representing school
14 districts and other taxing districts are appointed for a term
15 coinciding with the length of time a redevelopment project, plan
16 or area is approved, such term shall terminate upon final
17 approval of the project, plan or designation of the area by the
18 governing body of the municipality. Thereafter the commission
19 shall consist of the six members appointed by the municipality,
20 except that members representing school boards and other taxing
21 districts shall be appointed as provided in this section prior to
22 any amendments to any redevelopment plans, redevelopment projects
23 or designation of a redevelopment area. If any school district
24 or other taxing jurisdiction fails to appoint members of the
25 commission within thirty days of receipt of written notice of a

1 proposed redevelopment plan, redevelopment project or designation
2 of a redevelopment area, the remaining members may proceed to
3 exercise the power of the commission. Of the members first
4 appointed by the municipality, two shall be designated to serve
5 for terms of two years, two shall be designated to serve for a
6 term of three years and two shall be designated to serve for a
7 term of four years from the date of such initial appointments.
8 Thereafter, the members appointed by the municipality shall serve
9 for a term of four years, except that all vacancies shall be
10 filled for unexpired terms in the same manner as were the
11 original appointments.

12 3. The commission, subject to approval of the governing
13 body of the municipality, may exercise the powers enumerated in
14 sections 99.800 to 99.865, except final approval of plans,
15 projects and designation of redevelopment areas. The commission
16 shall hold public hearings and provide notice pursuant to
17 sections 99.825 and 99.830. The commission shall vote on all
18 proposed redevelopment plans, redevelopment projects and
19 designations of redevelopment areas, and amendments thereto,
20 within thirty days following completion of the hearing on any
21 such plan, project or designation and shall make recommendations
22 to the governing body within ninety days of the hearing referred
23 to in section 99.825 concerning the adoption of, or amendment to
24 redevelopment plans and redevelopment projects and the
25 designation of redevelopment areas. The requirements of

1 subsection 2 of this section and this subsection shall not apply
2 to redevelopment projects upon which the required hearings have
3 been duly held prior to August 31, 1991.

4 99.845. 1. A municipality, either at the time a
5 redevelopment project is approved or, in the event a municipality
6 has undertaken acts establishing a redevelopment plan and
7 redevelopment project and has designated a redevelopment area
8 after the passage and approval of sections 99.800 to 99.865 but
9 prior to August 13, 1982, which acts are in conformance with the
10 procedures of sections 99.800 to 99.865, may adopt tax increment
11 allocation financing by passing an ordinance providing that after
12 the total equalized assessed valuation of the taxable real
13 property in a redevelopment project exceeds the certified total
14 initial equalized assessed valuation of the taxable real property
15 in the redevelopment project, the ad valorem taxes, and payments
16 in lieu of taxes, if any, arising from the levies upon taxable
17 real property in such redevelopment project by taxing districts
18 and tax rates determined in the manner provided in subsection 2
19 of section 99.855 each year after the effective date of the
20 ordinance until redevelopment costs have been paid shall be
21 divided as follows:

22 (1) That portion of taxes, penalties and interest levied
23 upon each taxable lot, block, tract, or parcel of real property
24 which is attributable to the initial equalized assessed value of
25 each such taxable lot, block, tract, or parcel of real property

1 in the area selected for the redevelopment project shall be
2 allocated to and, when collected, shall be paid by the county
3 collector to the respective affected taxing districts in the
4 manner required by law in the absence of the adoption of tax
5 increment allocation financing;

6 (2) Payments in lieu of taxes attributable to the increase
7 in the current equalized assessed valuation of each taxable lot,
8 block, tract, or parcel of real property in the area selected for
9 the redevelopment project and any applicable penalty and interest
10 over and above the initial equalized assessed value of each such
11 unit of property in the area selected for the redevelopment
12 project shall be allocated to and, when collected, shall be paid
13 to the municipal treasurer who shall deposit such payment in lieu
14 of taxes into a special fund called the "Special Allocation Fund"
15 of the municipality for the purpose of paying redevelopment costs
16 and obligations incurred in the payment thereof. Payments in
17 lieu of taxes which are due and owing shall constitute a lien
18 against the real estate of the redevelopment project from which
19 they are derived and shall be collected in the same manner as the
20 real property tax, including the assessment of penalties and
21 interest where applicable. The municipality may, in the
22 ordinance, pledge the funds in the special allocation fund for
23 the payment of such costs and obligations and provide for the
24 collection of payments in lieu of taxes, the lien of which may be
25 foreclosed in the same manner as a special assessment lien as

1 provided in section 88.861, RSMo. No part of the current
2 equalized assessed valuation of each lot, block, tract, or parcel
3 of property in the area selected for the redevelopment project
4 attributable to any increase above the total initial equalized
5 assessed value of such properties shall be used in calculating
6 the general state school aid formula provided for in section
7 163.031, RSMo, until such time as all redevelopment costs have
8 been paid as provided for in this section and section 99.850;

9 (3) For purposes of this section, "levies upon taxable real
10 property in such redevelopment project by taxing districts" shall
11 not include the blind pension fund tax levied under the authority
12 of article III, section 38(b) of the Missouri Constitution, or
13 the merchants' and manufacturers' inventory replacement tax
14 levied under the authority of subsection 2 of section 6 of
15 article X, of the Missouri Constitution, except in redevelopment
16 project areas in which tax increment financing has been adopted
17 by ordinance pursuant to a plan approved by vote of the governing
18 body of the municipality taken after August 13, 1982, and before
19 January 1, 1998.

20 2. In addition to the payments in lieu of taxes described
21 in subdivision (2) of subsection 1 of this section, for
22 redevelopment plans and projects adopted or redevelopment
23 projects approved by ordinance after July 12, 1990, and prior to
24 August 31, 1991, fifty percent of the total additional revenue
25 from taxes, penalties and interest imposed by the municipality,

1 or other taxing districts, which are generated by economic
2 activities within the area of the redevelopment project over the
3 amount of such taxes generated by economic activities within the
4 area of the redevelopment project in the calendar year prior to
5 the adoption of the redevelopment project by ordinance, while tax
6 increment financing remains in effect, but excluding taxes
7 imposed on sales or charges for sleeping rooms paid by transient
8 guests of hotels and motels, taxes levied pursuant to section
9 70.500, RSMo, licenses, fees or special assessments other than
10 payments in lieu of taxes and any penalty and interest thereon,
11 or, effective January 1, 1998, taxes levied pursuant to section
12 94.660, RSMo, for the purpose of public transportation, shall be
13 allocated to, and paid by the local political subdivision
14 collecting officer to the treasurer or other designated financial
15 officer of the municipality, who shall deposit such funds in a
16 separate segregated account within the special allocation fund.
17 Any provision of an agreement, contract or covenant entered into
18 prior to July 12, 1990, between a municipality and any other
19 political subdivision which provides for an appropriation of
20 other municipal revenues to the special allocation fund shall be
21 and remain enforceable.

22 3. In addition to the payments in lieu of taxes described
23 in subdivision (2) of subsection 1 of this section, for
24 redevelopment plans and projects adopted or redevelopment
25 projects approved by ordinance after August 31, 1991, fifty

1 percent of the total additional revenue from taxes, penalties and
2 interest which are imposed by the municipality or other taxing
3 districts, and which are generated by economic activities within
4 the area of the redevelopment project over the amount of such
5 taxes generated by economic activities within the area of the
6 redevelopment project in the calendar year prior to the adoption
7 of the redevelopment project by ordinance, while tax increment
8 financing remains in effect, but excluding personal property
9 taxes, taxes imposed on sales or charges for sleeping rooms paid
10 by transient guests of hotels and motels, taxes levied pursuant
11 to section 70.500, RSMo, or effective January 1, 1998, taxes
12 levied for the purpose of public transportation pursuant to
13 section 94.660, RSMo, licenses, fees or special assessments other
14 than payments in lieu of taxes and penalties and interest
15 thereon, shall be allocated to, and paid by the local political
16 subdivision collecting officer to the treasurer or other
17 designated financial officer of the municipality, who shall
18 deposit such funds in a separate segregated account within the
19 special allocation fund.

20 4. Beginning January 1, 1998, for redevelopment plans and
21 projects adopted or redevelopment projects approved by ordinance
22 and which have complied with subsections 4 to 12 of this section,
23 in addition to the payments in lieu of taxes and economic
24 activity taxes described in subsections 1, 2 and 3 of this
25 section, up to fifty percent of the new state revenues, as

1 defined in subsection 8 of this section, estimated for the
2 businesses within the project area and identified by the
3 municipality in the application required by subsection 10 of this
4 section, over and above the amount of such taxes reported by
5 businesses within the project area as identified by the
6 municipality in their application prior to the approval of the
7 redevelopment project by ordinance, while tax increment financing
8 remains in effect, may be available for appropriation by the
9 general assembly as provided in subsection 10 of this section to
10 the department of economic development supplemental tax increment
11 financing fund, from the general revenue fund, for distribution
12 to the treasurer or other designated financial officer of the
13 municipality with approved plans or projects.

14 5. The treasurer or other designated financial officer of
15 the municipality with approved plans or projects shall deposit
16 such funds in a separate segregated account within the special
17 allocation fund established pursuant to section 99.805.

18 6. No transfer from the general revenue fund to the
19 Missouri supplemental tax increment financing fund shall be made
20 unless an appropriation is made from the general revenue fund for
21 that purpose. No municipality shall commit any state revenues
22 prior to an appropriation being made for that project. For all
23 redevelopment plans or projects adopted or approved after
24 December 23, 1997, appropriations from the new state revenues
25 shall not be distributed from the Missouri supplemental tax

1 increment financing fund into the special allocation fund unless
2 the municipality's redevelopment plan ensures that one hundred
3 percent of payments in lieu of taxes and fifty percent of
4 economic activity taxes generated by the project shall be used
5 for eligible redevelopment project costs while tax increment
6 financing remains in effect. This account shall be separate from
7 the account into which payments in lieu of taxes are deposited,
8 and separate from the account into which economic activity taxes
9 are deposited.

10 7. In order for the redevelopment plan or project to be
11 eligible to receive the revenue described in subsection 4 of this
12 section, the municipality shall comply with the requirements of
13 subsection 10 of this section prior to the time the project or
14 plan is adopted or approved by ordinance. The director of the
15 department of economic development and the commissioner of the
16 office of administration may waive the requirement that the
17 municipality's application be submitted prior to the
18 redevelopment plan's or project's adoption or the redevelopment
19 plan's or project's approval by ordinance.

20 8. For purposes of this section, "new state revenues"
21 means:

22 (1) The incremental increase in the general revenue portion
23 of state sales tax revenues received pursuant to section 144.020,
24 RSMo, excluding sales taxes that are constitutionally dedicated,
25 taxes deposited to the school district trust fund in accordance

1 with section 144.701, RSMo, sales and use taxes on motor
2 vehicles, trailers, boats and outboard motors and future sales
3 taxes earmarked by law. The incremental increase in the general
4 revenue portion of state sales tax revenues for an existing or
5 relocated facility shall be the amount that current state sales
6 tax revenue exceeds the state sales tax revenue in the base year
7 as stated in the redevelopment plan as provided in subsection 10
8 of this section; or

9 (2) The state income tax withheld on behalf of new
10 employees by the employer pursuant to section 143.221, RSMo, at
11 the business located within the project as identified by the
12 municipality. The state income tax withholding allowed by this
13 section shall be the municipality's estimate of the amount of
14 state income tax withheld by the employer within the
15 redevelopment area for new employees who fill new jobs directly
16 created by the tax increment financing project.

17 9. Subsection 4 of this section shall apply only to
18 blighted areas located in enterprise zones, pursuant to sections
19 135.200 to 135.256, RSMo, blighted areas located in federal
20 empowerment zones, or to blighted areas located in central
21 business districts or urban core areas of cities which districts
22 or urban core areas at the time of approval of the project by
23 ordinance, provided that the enterprise zones, federal
24 empowerment zones or blighted areas contained one or more
25 buildings at least fifty years old; and

1 (1) Suffered from generally declining population or
2 property taxes over the twenty-year period immediately preceding
3 the area's designation as a project area by ordinance; or

4 (2) Was a historic hotel located in a county of the first
5 classification without a charter form of government with a
6 population according to the most recent federal decennial census
7 in excess of one hundred fifty thousand and containing a portion
8 of a city with a population according to the most recent federal
9 decennial census in excess of three hundred fifty thousand.

10 10. The initial appropriation of up to fifty percent of the
11 new state revenues authorized pursuant to subsections 4 and 5 of
12 this section shall not be made to or distributed by the
13 department of economic development to a municipality until all of
14 the following conditions have been satisfied:

15 (1) The director of the department of economic development
16 or his or her designee and the commissioner of the office of
17 administration or his or her designee have approved a tax
18 increment financing application made by the municipality for the
19 appropriation of the new state revenues. The municipality shall
20 include in the application the following items in addition to the
21 items in section 99.810:

22 (a) The tax increment financing district or redevelopment
23 area, including the businesses identified within the
24 redevelopment area;

25 (b) The base year of state sales tax revenues or the base

1 year of state income tax withheld on behalf of existing
2 employees, reported by existing businesses within the project
3 area prior to approval of the redevelopment project;

4 (c) The estimate of the incremental increase in the general
5 revenue portion of state sales tax revenue or the estimate for
6 the state income tax withheld by the employer on behalf of new
7 employees expected to fill new jobs created within the
8 redevelopment area after redevelopment;

9 (d) The official statement of any bond issue pursuant to
10 this subsection after December 23, 1997;

11 (e) An affidavit that is signed by the developer or
12 developers attesting that the provisions of subdivision (1) of
13 section 99.810 have been met and specifying that the
14 redevelopment area would not be reasonably anticipated to be
15 developed without the appropriation of the new state revenues;

16 (f) The cost-benefit analysis required by section 99.810
17 includes a study of the fiscal impact on the state of Missouri;
18 and

19 (g) The statement of election between the use of the
20 incremental increase of the general revenue portion of the state
21 sales tax revenues or the state income tax withheld by employers
22 on behalf of new employees who fill new jobs created in the
23 redevelopment area;

24 (2) The methodologies used in the application for
25 determining the base year and determining the estimate of the

1 incremental increase in the general revenue portion of the state
2 sales tax revenues or the state income tax withheld by employers
3 on behalf of new employees who fill new jobs created in the
4 redevelopment area shall be approved by the director of the
5 department of economic development or his or her designee and the
6 commissioner of the office of administration or his or her
7 designee. Upon approval of the application, the director of the
8 department of economic development or his or her designee and the
9 commissioner of the office of administration or his or her
10 designee shall issue a certificate of approval. The department
11 of economic development may request the appropriation following
12 application approval;

13 (3) The appropriation shall be either a portion of the
14 estimate of the incremental increase in the general revenue
15 portion of state sales tax revenues in the redevelopment area or
16 a portion of the estimate of the state income tax withheld by the
17 employer on behalf of new employees who fill new jobs created in
18 the redevelopment area as indicated in the municipality's
19 application, approved by the director of the department of
20 economic development or his or her designee and the commissioner
21 of the office of administration or his or her designee. At no
22 time shall the aggregate annual appropriation of the new state
23 revenues for redevelopment areas exceed fifteen million dollars;

24 (4) Redevelopment plans and projects receiving new state
25 revenues shall have a duration of up to fifteen years, unless

1 prior approval for a longer term is given by the director of the
2 department of economic development or his or her designee and the
3 commissioner of the office of administration or his or her
4 designee; except that, in no case shall the duration exceed
5 twenty-three years.

6 11. In addition to the areas authorized in subsection 9 of
7 this section, the funding authorized pursuant to subsection 4 of
8 this section shall also be available in a federally approved
9 levee district, where construction of a levee begins after
10 December 23, 1997, and which is contained within a county of the
11 first classification without a charter form of government with a
12 population between fifty thousand and one hundred thousand
13 inhabitants which contains all or part of a city with a
14 population in excess of four hundred thousand or more
15 inhabitants.

16 12. There is hereby established within the state treasury a
17 special fund to be known as the "Missouri Supplemental Tax
18 Increment Financing Fund", to be administered by the department
19 of economic development. The department shall annually
20 distribute from the Missouri supplemental tax increment financing
21 fund the amount of the new state revenues as appropriated as
22 provided in the provisions of subsections 4 and 5 of this section
23 if and only if the conditions of subsection 10 of this section
24 are met. The fund shall also consist of any gifts,
25 contributions, grants or bequests received from federal, private

1 or other sources. Moneys in the Missouri supplemental tax
2 increment financing fund shall be disbursed per project pursuant
3 to state appropriations.

4 13. All personnel and other costs incurred by the
5 department of economic development for the administration and
6 operation of subsections 4 to 12 of this section shall be paid
7 from the state general revenue fund. On an annual basis, the
8 general revenue fund shall be reimbursed for the full amount of
9 such costs by the developer or developers of the project or
10 projects for which municipalities have made tax increment
11 financing applications for the appropriation of new state
12 revenues, as provided for in subdivision (1) of subsection 10 of
13 this section. The amount of costs charged to each developer
14 shall be based upon the percentage arrived at by dividing the
15 monetary amount of the application made by each municipality for
16 a particular project by the total monetary amount of all
17 applications received by the department of economic development.

18 14. For redevelopment plans or projects approved by
19 ordinance that result in net new jobs from the relocation of a
20 national headquarters from another state to the area of the
21 redevelopment project, the economic activity tax and new state
22 tax revenues shall not be based on a calculation of the
23 incremental increase in taxes as compared to the base year or
24 prior calendar year for such redevelopment project, rather the
25 incremental increase shall be the amount of total taxes generated

1 from the net new jobs brought in by the national headquarters
2 from another state. In no event shall this subsection be
3 construed to allow a redevelopment project to receive an
4 appropriation in excess of up to fifty percent of the new state
5 revenues.

6 137.100. The following subjects are exempt from taxation
7 for state, county or local purposes:

8 (1) Lands and other property belonging to this state;

9 (2) Lands and other property belonging to any city, county
10 or other political subdivision in this state, including market
11 houses, town halls and other public structures, with their
12 furniture and equipments, and on public squares and lots kept
13 open for health, use or ornament;

14 (3) Nonprofit cemeteries;

15 (4) The real estate and tangible personal property which is
16 used exclusively for agricultural or horticultural societies
17 organized in this state, including not-for-profit agribusiness
18 associations;

19 (5) All property, real and personal, actually and regularly
20 used exclusively for religious worship, for schools and colleges,
21 or for purposes purely charitable and not held for private or
22 corporate profit, except that the exemption herein granted does
23 not include real property not actually used or occupied for the
24 purpose of the organization but held or used as investment even
25 though the income or rentals received therefrom is used wholly

1 for religious, educational or charitable purposes;

2 (6) Household goods, furniture, wearing apparel and
3 articles of personal use and adornment, as defined by the state
4 tax commission, owned and used by a person in his home or
5 dwelling place; and

6 (7) Motor vehicles leased for a period of at least one year
7 to this state or to any city, county, or political subdivision.

8 143.121. 1. The Missouri adjusted gross income of a
9 resident individual shall be [his] the taxpayer's federal
10 adjusted gross income subject to the modifications in this
11 section.

12 2. There shall be added to [his] the taxpayer's federal
13 adjusted gross income:

14 (a) The amount of any federal income tax refund received
15 for a prior year which resulted in a Missouri income tax benefit;

16 (b) Interest on certain governmental obligations excluded
17 from federal gross income by Section 103 of the Internal Revenue
18 Code. The previous sentence shall not apply to interest on
19 obligations of the state of Missouri or any of its political
20 subdivisions or authorities and shall not apply to the interest
21 described in subdivision (a) of subsection 3 of this section.

22 The amount added [under] pursuant to this paragraph shall be
23 reduced by the amounts applicable to such interest that would
24 have been deductible in computing the taxable income of the
25 taxpayer except only for the application of Section 265 of the

1 Internal Revenue Code. The reduction shall only be made if it is
2 at least five hundred dollars;

3 (c) The amount of any deduction that is included in the
4 computation of federal taxable income [under] pursuant to Section
5 168 of the Internal Revenue Code as amended by the Job Creation
6 and Worker Assistance Act of 2002 to the extent the amount
7 deducted relates to property purchased on or after July 1, 2002,
8 but before July 1, 2003, and to the extent the amount deducted
9 exceeds the amount that would have been deductible [under]
10 pursuant to Section 168 of the Internal Revenue Code of 1986 as
11 in effect on January 1, 2002; and

12 (d) The amount of any deduction that is included in the
13 computation of federal taxable income for net operating loss
14 allowed by Section 172 of the Internal Revenue Code of 1986, as
15 amended, [except for any deduction] other than the deduction
16 allowed by Section 172(b)(1)(G) and Section 172(i) of the
17 Internal Revenue Code of 1986, as amended, for a net operating
18 loss the taxpayer claims in the tax year in which the net
19 operating loss occurred or carries forward for a period [not to
20 exceed] of more than twenty years and carries backward for [not]
21 more than two years. Any amount of net operating loss taken
22 against federal income taxes but disallowed against Missouri
23 income taxes pursuant to this paragraph since July 1, 2002, may
24 be carried forward and taken against any loss on the Missouri
25 income tax return for a period of not more than twenty years from

1 the year of the initial loss.

2 3. There shall be subtracted from [his] the taxpayer's
3 federal adjusted gross income the following amounts to the extent
4 included in federal adjusted gross income:

5 (a) Interest or dividends on obligations of the United
6 States and its territories and possessions or of any authority,
7 commission or instrumentality of the United States to the extent
8 exempt from Missouri income taxes [under] pursuant to the laws of
9 the United States. The amount subtracted [under] pursuant to
10 this paragraph shall be reduced by any interest on indebtedness
11 incurred to carry the described obligations or securities and by
12 any expenses incurred in the production of interest or dividend
13 income described in this paragraph. The reduction in the
14 previous sentence shall only apply to the extent that such
15 expenses including amortizable bond premiums are deducted in
16 determining [his] the taxpayer's federal adjusted gross income or
17 included in [his] the taxpayer's Missouri itemized deduction.
18 The reduction shall only be made if the expenses total at least
19 five hundred dollars;

20 (b) The portion of any gain, from the sale or other
21 disposition of property having a higher adjusted basis to the
22 taxpayer for Missouri income tax purposes than for federal income
23 tax purposes on December 31, 1972, that does not exceed such
24 difference in basis. If a gain is considered a long-term capital
25 gain for federal income tax purposes, the modification shall be

1 limited to one-half of such portion of the gain;

2 (c) The amount necessary to prevent the taxation [under
3 sections 143.011 to 143.996] pursuant to chapter 143 of any
4 annuity or other amount of income or gain which was properly
5 included in income or gain and was taxed [under] pursuant to the
6 laws of Missouri for a taxable year prior to January 1, 1973, to
7 the taxpayer, or to a decedent by reason of whose death the
8 taxpayer acquired the right to receive the income or gain, or to
9 a trust or estate from which the taxpayer received the income or
10 gain;

11 (d) Accumulation distributions received by a taxpayer as a
12 beneficiary of a trust to the extent that the same are included
13 in federal adjusted gross income;

14 (e) The amount of any state income tax refund for a prior
15 year which was included in the federal adjusted gross income;

16 (f) The portion of capital gain specified in [subsection 3
17 of section 144.747] section 135.357, RSMo, that would otherwise
18 be included in federal adjusted gross income; and

19 (g) The amount that would have been deducted in the
20 computation of federal taxable income [under] pursuant to Section
21 168 of the Internal Revenue Code as in effect on January 1, 2002,
22 to the extent that amount relates to property purchased on or
23 after July 1, 2002, but before July 1, 2003, and to the extent
24 that amount exceeds the amount actually deducted [under] pursuant
25 to Section 168 of the Internal Revenue Code as amended by the Job

1 Creation and Worker Assistance Act of 2002.

2 4. There shall be added to or subtracted from [his] the
3 taxpayer's federal adjusted gross income the taxpayer's share of
4 the Missouri fiduciary adjustment provided in section 143.351.

5 5. There shall be added to or subtracted from [his] the
6 taxpayer's federal adjusted gross income the modifications
7 provided in section 143.411.

8 144.030. 1. There is hereby specifically exempted from the
9 provisions of sections 144.010 to 144.525 and from the
10 computation of the tax levied, assessed or payable pursuant to
11 sections 144.010 to 144.525 such retail sales as may be made in
12 commerce between this state and any other state of the United
13 States, or between this state and any foreign country, and any
14 retail sale which the state of Missouri is prohibited from taxing
15 pursuant to the Constitution or laws of the United States of
16 America, and such retail sales of tangible personal property
17 which the general assembly of the state of Missouri is prohibited
18 from taxing or further taxing by the constitution of this state.

19 2. There are also specifically exempted from the provisions
20 of the local sales tax law as defined in section 32.085, RSMo,
21 section 238.235, RSMo, and sections 144.010 to 144.525 and
22 144.600 to 144.745 and from the computation of the tax levied,
23 assessed or payable pursuant to the local sales tax law as
24 defined in section 32.085, RSMo, section 238.235, RSMo, and
25 sections 144.010 to 144.525 and 144.600 to 144.745:

1 (1) Motor fuel or special fuel subject to an excise tax of
2 this state, unless all or part of such excise tax is refunded
3 pursuant to section 142.584, RSMo; or upon the sale at retail of
4 fuel to be consumed in manufacturing or creating gas, power,
5 steam, electrical current or in furnishing water to be sold
6 ultimately at retail; or feed for livestock or poultry; or grain
7 to be converted into foodstuffs which are to be sold ultimately
8 in processed form at retail; or seed, limestone or fertilizer
9 which is to be used for seeding, liming or fertilizing crops
10 which when harvested will be sold at retail or will be fed to
11 livestock or poultry to be sold ultimately in processed form at
12 retail; economic poisons registered pursuant to the provisions of
13 the Missouri pesticide registration law (sections 281.220 to
14 281.310, RSMo) which are to be used in connection with the growth
15 or production of crops, fruit trees or orchards applied before,
16 during, or after planting, the crop of which when harvested will
17 be sold at retail or will be converted into foodstuffs which are
18 to be sold ultimately in processed form at retail;

19 (2) Materials, manufactured goods, machinery and parts
20 which when used in manufacturing, processing, compounding,
21 mining, producing or fabricating become a component part or
22 ingredient of the new personal property resulting from such
23 manufacturing, processing, compounding, mining, producing or
24 fabricating and which new personal property is intended to be
25 sold ultimately for final use or consumption; and materials,

1 including without limitation, gases and manufactured goods,
2 including without limitation, slagging materials and firebrick,
3 which are ultimately consumed in the manufacturing process by
4 blending, reacting or interacting with or by becoming, in whole
5 or in part, component parts or ingredients of steel products
6 intended to be sold ultimately for final use or consumption;

7 (3) Materials, replacement parts and equipment purchased
8 for use directly upon, and for the repair and maintenance or
9 manufacture of, motor vehicles, watercraft, railroad rolling
10 stock or aircraft engaged as common carriers of persons or
11 property;

12 (4) Replacement machinery, equipment, and parts and the
13 materials and supplies solely required for the installation or
14 construction of such replacement machinery, equipment, and parts,
15 used directly in manufacturing, mining, fabricating or producing
16 a product which is intended to be sold ultimately for final use
17 or consumption; and machinery and equipment, and the materials
18 and supplies required solely for the operation, installation or
19 construction of such machinery and equipment, purchased and used
20 to establish new, or to replace or expand existing, material
21 recovery processing plants in this state. For the purposes of
22 this subdivision, a "material recovery processing plant" means a
23 facility which converts recovered materials into a new product,
24 or a different form which is used in producing a new product, and
25 shall include a facility or equipment which is used exclusively

1 for the collection of recovered materials for delivery to a
2 material recovery processing plant but shall not include motor
3 vehicles used on highways. For purposes of this section, the
4 terms "motor vehicle" and "highway" shall have the same meaning
5 pursuant to section 301.010, RSMo;

6 (5) Machinery and equipment, and parts and the materials
7 and supplies solely required for the installation or construction
8 of such machinery and equipment, purchased and used to establish
9 new or to expand existing manufacturing, mining or fabricating
10 plants in the state if such machinery and equipment is used
11 directly in manufacturing, mining or fabricating a product which
12 is intended to be sold ultimately for final use or consumption;

13 (6) Tangible personal property which is used exclusively in
14 the manufacturing, processing, modification or assembling of
15 products sold to the United States government or to any agency of
16 the United States government;

17 (7) Animals or poultry used for breeding or feeding
18 purposes;

19 (8) Newsprint, ink, computers, photosensitive paper and
20 film, toner, printing plates and other machinery, equipment,
21 replacement parts and supplies used in producing newspapers
22 published for dissemination of news to the general public;

23 (9) The rentals of films, records or any type of sound or
24 picture transcriptions for public commercial display;

25 (10) Pumping machinery and equipment used to propel

1 products delivered by pipelines engaged as common carriers;

2 (11) Railroad rolling stock for use in transporting persons
3 or property in interstate commerce and motor vehicles licensed
4 for a gross weight of twenty-four thousand pounds or more or
5 trailers used by common carriers, as defined in section 390.020,
6 RSMo, solely in the transportation of persons or property in
7 interstate commerce;

8 (12) Electrical energy used in the actual primary
9 manufacture, processing, compounding, mining or producing of a
10 product, or electrical energy used in the actual secondary
11 processing or fabricating of the product, or a material recovery
12 processing plant as defined in subdivision (4) of this
13 subsection, in facilities owned or leased by the taxpayer, if the
14 total cost of electrical energy so used exceeds ten percent of
15 the total cost of production, either primary or secondary,
16 exclusive of the cost of electrical energy so used or if the raw
17 materials used in such processing contain at least twenty-five
18 percent recovered materials as defined in section 260.200, RSMo.
19 For purposes of this subdivision, "processing" means any mode of
20 treatment, act or series of acts performed upon materials to
21 transform and reduce them to a different state or thing,
22 including treatment necessary to maintain or preserve such
23 processing by the producer at the production facility;

24 (13) Anodes which are used or consumed in manufacturing,
25 processing, compounding, mining, producing or fabricating and

1 which have a useful life of less than one year;

2 (14) Machinery, equipment, appliances and devices purchased
3 or leased and used solely for the purpose of preventing, abating
4 or monitoring air pollution, and materials and supplies solely
5 required for the installation, construction or reconstruction of
6 such machinery, equipment, appliances and devices, and so
7 certified as such by the director of the department of natural
8 resources, except that any action by the director pursuant to
9 this subdivision may be appealed to the air conservation
10 commission which may uphold or reverse such action;

11 (15) Machinery, equipment, appliances and devices purchased
12 or leased and used solely for the purpose of preventing, abating
13 or monitoring water pollution, and materials and supplies solely
14 required for the installation, construction or reconstruction of
15 such machinery, equipment, appliances and devices, and so
16 certified as such by the director of the department of natural
17 resources, except that any action by the director pursuant to
18 this subdivision may be appealed to the Missouri clean water
19 commission which may uphold or reverse such action;

20 (16) Tangible personal property purchased by a rural water
21 district;

22 (17) All amounts paid or charged for admission or
23 participation or other fees paid by or other charges to
24 individuals in or for any place of amusement, entertainment or
25 recreation, games or athletic events, including museums, fairs,

1 zoos and planetariums, owned or operated by a municipality or
2 other political subdivision where all the proceeds derived
3 therefrom benefit the municipality or other political subdivision
4 and do not inure to any private person, firm, or corporation;

5 (18) All sales of insulin and prosthetic or orthopedic
6 devices as defined on January 1, 1980, by the federal Medicare
7 program pursuant to Title XVIII of the Social Security Act of
8 1965, including the items specified in Section 1862(a)(12) of
9 that act, and also specifically including hearing aids and
10 hearing aid supplies and all sales of drugs which may be legally
11 dispensed by a licensed pharmacist only upon a lawful
12 prescription of a practitioner licensed to administer those
13 items, including samples and materials used to manufacture
14 samples which may be dispensed by a practitioner authorized to
15 dispense such samples and all sales of medical oxygen, home
16 respiratory equipment and accessories, hospital beds and
17 accessories and ambulatory aids, all sales of manual and powered
18 wheelchairs, stairway lifts, Braille writers, electronic Braille
19 equipment and, if purchased by or on behalf of a person with one
20 or more physical or mental disabilities to enable them to
21 function more independently, all sales of scooters, reading
22 machines, electronic print enlargers and magnifiers, electronic
23 alternative and augmentative communication devices, and items
24 used solely to modify motor vehicles to permit the use of such
25 motor vehicles by individuals with disabilities or sales of

1 over-the-counter or nonprescription drugs to individuals with
2 disabilities;

3 (19) All sales made by or to religious and charitable
4 organizations and institutions in their religious, charitable or
5 educational functions and activities and all sales made by or to
6 all elementary and secondary schools operated at public expense
7 in their educational functions and activities;

8 (20) All sales of aircraft to common carriers for storage
9 or for use in interstate commerce and all sales made by or to
10 not-for-profit civic, social, service or fraternal organizations,
11 including fraternal organizations which have been declared tax
12 exempt organizations pursuant to Section 501(c)(8) or (10) of the
13 1986 Internal Revenue Code, as amended, solely in their civic or
14 charitable functions and activities and all sales made to
15 eleemosynary and penal institutions and industries of the state,
16 and all sales made to any private not-for-profit institution of
17 higher education not otherwise excluded pursuant to subdivision
18 (19) of this subsection or any institution of higher education
19 supported by public funds, and all sales made to a state relief
20 agency in the exercise of relief functions and activities;

21 (21) All ticket sales made by benevolent, scientific and
22 educational associations which are formed to foster, encourage,
23 and promote progress and improvement in the science of
24 agriculture and in the raising and breeding of animals, and by
25 nonprofit summer theater organizations if such organizations are

1 exempt from federal tax pursuant to the provisions of the
2 Internal Revenue Code and all admission charges and entry fees to
3 the Missouri state fair or any fair conducted by a county
4 agricultural and mechanical society organized and operated
5 pursuant to sections 262.290 to 262.530, RSMo;

6 (22) All sales made to any private not-for-profit
7 elementary or secondary school, all sales of feed additives,
8 medications or vaccines administered to livestock or poultry in
9 the production of food or fiber, all sales of pesticides used in
10 the production of crops, livestock or poultry for food or fiber,
11 all sales of bedding used in the production of livestock or
12 poultry for food or fiber, all sales of propane or natural gas,
13 electricity or diesel fuel used exclusively for drying
14 agricultural crops, natural gas used in the primary manufacture
15 or processing of fuel ethanol as defined in section 142.028,
16 RSMo, and all sales of farm machinery and equipment, other than
17 airplanes, motor vehicles and trailers. As used in this
18 subdivision, the term "feed additives" means tangible personal
19 property which, when mixed with feed for livestock or poultry, is
20 to be used in the feeding of livestock or poultry. As used in
21 this subdivision, the term "pesticides" includes adjuvants such
22 as crop oils, surfactants, wetting agents and other assorted
23 pesticide carriers used to improve or enhance the effect of a
24 pesticide and the foam used to mark the application of pesticides
25 and herbicides for the production of crops, livestock or poultry.

1 As used in this subdivision, the term "farm machinery and
2 equipment" means new or used farm tractors and such other new or
3 used farm machinery and equipment and repair or replacement parts
4 thereon, and supplies and lubricants used exclusively [for such
5 farm machinery and equipment], solely, and directly for producing
6 crops, raising and feeding livestock, fish, poultry, pheasants,
7 chukar, quail, or for producing milk for ultimate sale at retail
8 and one-half of each purchaser's purchase of diesel fuel therefor
9 which is:

10 (a) Used exclusively for agricultural purposes;

11 (b) Used on land owned or leased for the purpose of
12 producing farm products; and

13 (c) Used directly in producing farm products to be sold
14 ultimately in processed form or otherwise at retail or in
15 producing farm products to be fed to livestock or poultry to be
16 sold ultimately in processed form at retail;

17 (23) Except as otherwise provided in section 144.032, all
18 sales of metered water service, electricity, electrical current,
19 natural, artificial or propane gas, wood, coal or home heating
20 oil for domestic use and in any city not within a county, all
21 sales of metered or unmetered water service for domestic use;

22 (a) "Domestic use" means that portion of metered water
23 service, electricity, electrical current, natural, artificial or
24 propane gas, wood, coal or home heating oil, and in any city not
25 within a county, metered or unmetered water service, which an

1 individual occupant of a residential premises uses for
2 nonbusiness, noncommercial or nonindustrial purposes. Utility
3 service through a single or master meter for residential
4 apartments or condominiums, including service for common areas
5 and facilities and vacant units, shall be deemed to be for
6 domestic use. Each seller shall establish and maintain a system
7 whereby individual purchases are determined as exempt or
8 nonexempt;

9 (b) Regulated utility sellers shall determine whether
10 individual purchases are exempt or nonexempt based upon the
11 seller's utility service rate classifications as contained in
12 tariffs on file with and approved by the Missouri public service
13 commission. Sales and purchases made pursuant to the rate
14 classification "residential" and sales to and purchases made by
15 or on behalf of the occupants of residential apartments or
16 condominiums through a single or master meter, including service
17 for common areas and facilities and vacant units, shall be
18 considered as sales made for domestic use and such sales shall be
19 exempt from sales tax. Sellers shall charge sales tax upon the
20 entire amount of purchases classified as nondomestic use. The
21 seller's utility service rate classification and the provision of
22 service thereunder shall be conclusive as to whether or not the
23 utility must charge sales tax;

24 (c) Each person making domestic use purchases of services
25 or property and who uses any portion of the services or property

1 so purchased for a nondomestic use shall, by the fifteenth day of
2 the fourth month following the year of purchase, and without
3 assessment, notice or demand, file a return and pay sales tax on
4 that portion of nondomestic purchases. Each person making
5 nondomestic purchases of services or property and who uses any
6 portion of the services or property so purchased for domestic
7 use, and each person making domestic purchases on behalf of
8 occupants of residential apartments or condominiums through a
9 single or master meter, including service for common areas and
10 facilities and vacant units, under a nonresidential utility
11 service rate classification may, between the first day of the
12 first month and the fifteenth day of the fourth month following
13 the year of purchase, apply for credit or refund to the director
14 of revenue and the director shall give credit or make refund for
15 taxes paid on the domestic use portion of the purchase. The
16 person making such purchases on behalf of occupants of
17 residential apartments or condominiums shall have standing to
18 apply to the director of revenue for such credit or refund;

19 (24) All sales of handicraft items made by the seller or
20 the seller's spouse if the seller or the seller's spouse is at
21 least sixty-five years of age, and if the total gross proceeds
22 from such sales do not constitute a majority of the annual gross
23 income of the seller;

24 (25) Excise taxes, collected on sales at retail, imposed by
25 Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and

1 4271 of Title 26, United States Code. The director of revenue
2 shall promulgate rules pursuant to chapter 536, RSMo, to
3 eliminate all state and local sales taxes on such excise taxes;

4 (26) Sales of fuel consumed or used in the operation of
5 ships, barges, or waterborne vessels which are used primarily in
6 or for the transportation of property or cargo, or the conveyance
7 of persons for hire, on navigable rivers bordering on or located
8 in part in this state, if such fuel is delivered by the seller to
9 the purchaser's barge, ship, or waterborne vessel while it is
10 afloat upon such river;

11 (27) All sales made to an interstate compact agency created
12 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010
13 to 238.100, RSMo, in the exercise of the functions and activities
14 of such agency as provided pursuant to the compact;

15 (28) Computers, computer software and computer security
16 systems purchased for use by architectural or engineering firms
17 headquartered in this state. For the purposes of this
18 subdivision, "headquartered in this state" means the office for
19 the administrative management of at least four integrated
20 facilities operated by the taxpayer is located in the state of
21 Missouri;

22 (29) All livestock sales when either the seller is engaged
23 in the growing, producing or feeding of such livestock, or the
24 seller is engaged in the business of buying and selling,
25 bartering or leasing of such livestock;

1 (30) All sales of barges which are to be used primarily in
2 the transportation of property or cargo on interstate waterways;

3 (31) Electrical energy or gas, whether natural, artificial
4 or propane, which is ultimately consumed in connection with the
5 manufacturing of cellular glass products;

6 (32) Notwithstanding other provisions of law to the
7 contrary, all sales of pesticides or herbicides used in the
8 production of crops, aquaculture, livestock or poultry;

9 (33) Tangible personal property purchased for use or
10 consumption directly or exclusively in the research and
11 development of prescription pharmaceuticals consumed by humans or
12 animals;

13 (34) All sales of grain bins for storage of grain for
14 resale;

15 (35) All sales of feed which are developed for and used in
16 the feeding of pets owned by a commercial breeder when such sales
17 are made to a commercial breeder, as defined in section 273.325,
18 RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

19 (36) All purchases by a contractor on behalf of an entity
20 located in another state, provided that the entity is authorized
21 to issue a certificate of exemption for purchases to a contractor
22 under the provisions of that state's laws. For purposes of this
23 subdivision, the term "certificate of exemption" shall mean any
24 document evidencing that the entity is exempt from sales and use
25 taxes on purchases pursuant to the laws of the state in which the

1 entity is located. Any contractor making purchases on behalf of
2 such entity shall maintain a copy of the entity's exemption
3 certificate as evidence of the exemption. If the exemption
4 certificate issued by the exempt entity to the contractor is
5 later determined by the director of revenue to be invalid for any
6 reason and the contractor has accepted the certificate in good
7 faith, neither the contractor or the exempt entity shall be
8 liable for the payment of any taxes, interest and penalty due as
9 the result of use of the invalid exemption certificate.

10 Materials shall be exempt from all state and local sales and use
11 taxes when purchased by a contractor for the purpose of
12 fabricating tangible personal property which is used in
13 fulfilling a contract for the purpose of constructing, repairing
14 or remodeling facilities for the following:

15 (a) An exempt entity located in this state, if the entity
16 is one of those entities able to issue project exemption
17 certificates in accordance with the provisions of section
18 144.062; or

19 (b) An exempt entity located outside the state if the
20 exempt entity is authorized to issue an exemption certificate to
21 contractors in accordance with the provisions of that state's law
22 and the applicable provisions of this section;

23 (37) Tangible personal property purchased for use or
24 consumption directly or exclusively in research or
25 experimentation activities performed by life science companies

1 and so certified as such by the director of the department of
2 economic development or the director's designees; except that,
3 the total amount of exemptions certified pursuant to this section
4 shall not exceed one million three hundred thousand dollars in
5 state and local taxes per fiscal year. For purposes of this
6 subdivision, the term "life science companies" means companies
7 whose primary research activities are in agriculture,
8 pharmaceuticals, biomedical or food ingredients, and whose North
9 American Industry Classification System (NAICS) Codes fall under
10 industry 541710 (biotech research or development laboratories),
11 621511 (medical laboratories) or 541940 (veterinary services).
12 The exemption provided by this subdivision shall expire on June
13 30, 2003.

14 144.049. 1. For purposes of this section, the following
15 terms mean:

16 (1) "Clothing", any article of wearing apparel, including
17 footwear, intended to be worn on or about the human body. The
18 term shall include but not be limited to cloth and other material
19 used to make school uniforms or other school clothing. Items
20 normally sold in pairs shall not be separated to qualify for the
21 exemption. The term shall not include watches, watchbands,
22 jewelry, handbags, handkerchiefs, umbrellas, scarves, ties,
23 headbands, or belt buckles; and

24 (2) "Personal computers", a laptop, desktop, or tower
25 computer system which consists of a central processing unit,

1 random access memory, a storage drive, a display monitor, and a
2 keyboard and devices designed for use in conjunction with a
3 personal computer, such as a disk drive, memory module, compact
4 disk drive, daughterboard, digitalizer, microphone, modem,
5 motherboard, mouse, multimedia speaker, printer, scanner, single-
6 user hardware, single-user operating system, soundcard, or video
7 card;

8 (3) "School supplies", any item normally used by students
9 in a standard classroom for educational purposes, including but
10 not limited to, textbooks, notebooks, paper, writing instruments,
11 crayons, art supplies, rulers, book bags, back packs, handheld
12 calculators, chalk, maps, and globes. The term shall not include
13 watches, radios, CD players, headphones, sporting equipment,
14 portable or desktop telephones, copiers or other office
15 equipment, furniture, or fixtures. School supplies shall also
16 include computer software having a taxable value of two hundred
17 dollars or less.

18 2. There is hereby specifically exempted from state sales
19 tax law all retail sales of any article of clothing having a
20 taxable value of one hundred dollars or less, all retail sales of
21 school supplies not to exceed fifty dollars per purchase, all
22 computer software with a taxable value of two hundred dollars or
23 less, and all retail sales of personal computers or computer
24 peripheral devices not to exceed two thousand dollars, during a
25 three-day period beginning at 12:01 a.m. on the second Friday in

1 August and ending at midnight on the Sunday following.

2 3. The governing body of any political subdivision may
3 adopt an ordinance to exempt such sales that occur within the
4 political subdivision on the portion of the local sales tax levy
5 applicable to the political subdivision during the period
6 specified in subsection 2 of this section. Upon adoption of such
7 an ordinance, the governing body of the political subdivision
8 shall provide written notice to the department of revenue of the
9 substance of the ordinance. In the event such notification is
10 not received by the department of revenue before the first day of
11 July in any given year, the ordinance shall not become effective
12 before the first day of September in the year the notice is
13 received.

14 4. This section shall not apply to any sales which take
15 place within the Missouri state fairgrounds.

16 5. The provisions of this section shall expire July 1,
17 2005.

18 144.817. In addition to the exemptions granted pursuant to
19 the provisions of section 144.030, there shall also be
20 specifically exempted from the provisions of the local sales tax
21 law as defined in section 32.085, RSMo, section 238.235, RSMo,
22 and sections 144.010 to 144.525 and 144.600 to 144.745, and from
23 the computation of the tax levied, assessed, or payable pursuant
24 to the local sales tax law as defined in section 32.085, RSMo,
25 section 238.235, RSMo, and sections 144.010 to 144.525 and

1 144.600 to 144.761, purchases of any item of tangible personal
2 property which is, within one year of such purchase, donated
3 without charge to the state of Missouri. The exemption
4 prescribed in this section includes purchases of all items of
5 tangible personal property converted into an item donated as a
6 gift to the state of Missouri.

7 260.830. 1. Any county of the third classification or any
8 county of the fourth classification with more than forty-eight
9 thousand two hundred but less than forty-eight thousand three
10 hundred inhabitants may, by a majority vote of its governing
11 body, impose a landfill fee pursuant to sections 260.830 and
12 260.831, for the benefit of the county. No order or ordinance
13 enacted pursuant to the authority granted by this section shall
14 be effective unless the governing body of the county submits to
15 the qualified voters of the county, at a public election, a
16 proposal to authorize the governing body of the county to impose
17 a fee under the provisions of this section. The ballot of
18 submission shall be in substantially the following form:

19 Shall the county of (insert name of
20 county) impose a landfill fee of (insert
21 amount of fee per ton or volumetric equivalent of solid waste)?

22 ☐ YES

☐ NO

23 If a majority of the votes cast on the proposal by the qualified
24 voters voting thereon are in favor of the proposal, then the

1 order or ordinance and any amendments thereto shall become
2 effective on the first day of the calendar quarter immediately
3 after such election results are certified. If a majority of the
4 votes cast by the qualified voters voting are opposed to the
5 proposal, then the governing body of the county shall have no
6 power to impose the fee authorized by this section unless and
7 until the governing body of the county shall again have submitted
8 another proposal to authorize the governing body of the county to
9 impose such fee, and the proposal is approved by a majority of
10 the qualified voters voting thereon. If an economic development
11 authority does not exist in a county at the time that a landfill
12 fee is adopted by such county under this section, then the
13 governing body of such county shall establish an economic
14 development authority in the county.

15 2. The landfill fee authorized by such an election may not
16 exceed one dollar and fifty cents per ton or its volumetric
17 equivalent of solid waste accepted, which charge may be in
18 addition to any such fee currently imposed pursuant to the
19 provisions of section 260.330.

20 Section B. Because immediate action is necessary to
21 stimulate the economy, section A of this act is deemed necessary
22 for the immediate preservation of the public health, welfare,
23 peace and safety, and is hereby declared to be an emergency act
24 within the meaning of the constitution, and section A of this act
25 shall be in full force and effect July 1, 2003, or upon its

1 passage and approval, whichever later occurs.